



# Joint Legislative Transportation Oversight

Equipment & Fleet Management

North Carolina Department of Transportation

November 9, 2010



## Why does NCDOT have/need a fleet?

- Fleet is critical to meeting needs of NC citizens
- Fleet is used in emergency situations:
  - Floods
  - Snow
  - Hurricanes
  - Other natural and man-made disasters
- Some specialized equipment is not available for lease from private sector without advance notice





## NCDOT Fleet is Unique

- Largest state-owned fleet in the nation
- One of top 50 fleets overall (public and private)
- Service/maintain largest highway system in the nation
- Over 25,000 total pieces of necessary equipment
  - Replacement value of \$633 million





## How NCDOT is improving

- Began private-sector model equipment tracking system to accurately report usage
  - Trained Field engineers and Fleet managers to utilize new management process
- Consolidated several repair shops (reduced staff by 20%)
- Began public auctions to sell equipment
  - \$24.3 million for 5,882 pieces sold
- Incorporated new performance measures (accountability) into overall fleet management system







## How NCDOT is improving - continued

- Identified critical needs:
  - Formal classroom training on fleet management
  - Research to identify data and data collection
- Took steps to correct this:
  - Contracted with ECU to conduct study:
    - When to sell equipment
    - How often should equipment be used
    - What is the depreciation rate for equipment (by type)





## Audit Finds/NCDOT Actions

- **Audit Recommendation # 1: DOT management should establish performance measures for heavy equipment usage rates...that would justify the cost associated with continued ownership....**
  - Confirms NCDOT approach of Data-Driven decisions based on good business practices.
  - ECU study just completed, NCDOT evaluating results, will begin implementation.





## Audit Finds/NCDOT Actions

- *Audit Recommendation # 2: ...develop written policies and procedures for identifying and reporting underused equipment.....instruct managers on what corrective action...*
- Developing equipment fleet manual – completed by mid-January.
- Will train field staff to follow enhanced procedures.





## Audit Finds/NCDOT Actions

• ***Audit Recommendation # 3: ...dispose of underused equipment...used less than defined minimum use standards should be analyzed...sold or transferred to other locations....Reasons for keeping...documented and approved...***

- New private sector modeled system will provide accurate, cost effective tools to determine which equipment to keep, which to sell.
- Highway Administrator must certify all low-utilization equipment as necessary for public good.
- Discovered errors in reporting utilization of equipment. Training is underway and will be continuous.







## Audit Finds/NCDOT Actions

***•Audit Recommendation # 4: ...provide training to all equipment managers...in efficient fleet management practices...continue its efforts to obtain the Association of Equipment Manager Professionals (AEMP) fleet manager certification...***

- New manual being developed.
- New and expanded training underway and will be ongoing.
- Working with Community College to provide AEMP certified training – begins in early 2011.





# Questions?

